

House File 2233 - Introduced

HOUSE FILE 2233

BY HANUSA

A BILL FOR

- 1 An Act relating to proof of responsibility and insurance
- 2 coverage requirements for damages resulting from motor
- 3 vehicle accidents.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321A.1, subsection 11, Code 2014, is
2 amended to read as follows:

3 11. *Proof of financial responsibility.* Proof of ability
4 to respond in damages for liability, on account of accidents
5 occurring subsequent to the effective date of the proof,
6 arising out of the ownership, maintenance, or use of a motor
7 vehicle, in amounts as follows: With respect to accidents
8 occurring on or after January 1, 1981, and prior to January
9 1, 1983, the amount of fifteen thousand dollars because of
10 bodily injury to or death of one person in any one accident,
11 and, subject to the limit for one person, the amount of thirty
12 thousand dollars because of bodily injury to or death of
13 two or more persons in any one accident, and the amount of
14 ten thousand dollars because of injury to or destruction of
15 property of others in any one accident; ~~and~~ with respect to
16 accidents occurring on or after January 1, 1983, and prior
17 to January 1, 2015, the amount of twenty thousand dollars
18 because of bodily injury to or death of one person in any one
19 accident, and, subject to the limit for one person, the amount
20 of forty thousand dollars because of bodily injury to or death
21 of two or more persons in any one accident, and the amount of
22 fifteen thousand dollars because of injury to or destruction
23 of property of others in any one accident; and with respect to
24 accidents occurring on or after January 1, 2015, the amount of
25 fifty thousand dollars because of bodily injury to or death of
26 one person in any one accident, and, subject to the limit for
27 one person, the amount of one hundred thousand dollars because
28 of bodily injury to or death of two or more persons in any one
29 accident, and the amount of thirty-seven thousand five hundred
30 dollars because of injury to or destruction of property of
31 others in any one accident.

32 Sec. 2. Section 321A.5, subsection 3, Code 2014, is amended
33 to read as follows:

34 3. A policy or bond is not effective under this section
35 unless issued by an insurance company or surety company

1 authorized to do business in this state, except that if the
2 motor vehicle was not registered in this state, or was a motor
3 vehicle which was registered elsewhere than in this state at
4 the effective date of the policy or bond, or the most recent
5 renewal thereof, the policy or bond is not effective under this
6 section unless the insurance company or surety company if not
7 authorized to do business in this state executes a power of
8 attorney authorizing the department to accept service on its
9 behalf of notice or process in any action upon the policy or
10 bond arising out of the accident. However, with respect to
11 accidents occurring on or after January 1, 1981, and before
12 January 1, 1983, every such policy or bond is subject, if the
13 accident has resulted in bodily injury or death, to a limit,
14 exclusive of interest and costs, of not less than fifteen
15 thousand dollars because of bodily injury to or death of one
16 person in any one accident and, subject to the limit for one
17 person, to a limit of not less than thirty thousand dollars
18 because of bodily injury to or death of two or more persons in
19 any one accident, and, if the accident has resulted in injury
20 to or destruction of property, to a limit of not less than
21 ten thousand dollars because of injury to or destruction of
22 property of others in any one accident; ~~and~~ with respect to
23 accidents occurring on or after January 1, 1983, and before
24 January 1, 2015, every such policy or bond is subject, if the
25 accident has resulted in bodily injury or death, to a limit,
26 exclusive of interest and costs, of not less than twenty
27 thousand dollars because of bodily injury to or death of one
28 person in any one accident and, subject to the limit for one
29 person, to a limit of not less than forty thousand dollars
30 because of bodily injury to or death of two or more persons in
31 any one accident, and, if the accident has resulted in injury
32 to or destruction of property, to a limit of not less than
33 fifteen thousand dollars because of injury to or destruction
34 of property of others in any one accident; and with respect
35 to accidents occurring on or after January 1, 2015, every

1 such policy or bond is subject, if the accident has resulted
2 in bodily injury or death, to a limit, exclusive of interest
3 and costs, of not less than fifty thousand dollars because of
4 bodily injury to or death of one person in any one accident
5 and, subject to the limit for one person, to a limit of not less
6 than one hundred thousand dollars because of bodily injury to
7 or death of two or more persons in any one accident, and, if the
8 accident has resulted in injury to or destruction of property,
9 to a limit of not less than thirty-seven thousand five hundred
10 dollars because of injury to or destruction of property of
11 others in any one accident.

12 Sec. 3. Section 321A.15, subsection 1, paragraph b,
13 unnumbered paragraph 1, Code 2014, is amended to read as
14 follows:

15 Judgments referred to in this chapter and rendered upon
16 claims arising from accidents occurring on or after January
17 1, 1983, and before January 1, 2015, shall, for the purpose
18 of this chapter only, be deemed satisfied when the following
19 occur:

20 Sec. 4. Section 321A.15, subsection 1, Code 2014, is amended
21 by adding the following new paragraph:

22 NEW PARAGRAPH. c. Judgments referred to in this chapter
23 and rendered upon claims arising from accidents occurring on or
24 after January 1, 2015, shall, for the purpose of this chapter
25 only, be deemed satisfied when the following occur:

26 (1) When fifty thousand dollars has been credited upon any
27 judgment or judgments rendered in excess of that amount because
28 of bodily injury to or death of one person as the result of any
29 one accident.

30 (2) When, subject to the limit of fifty thousand dollars
31 because of bodily injury to or death of one person, the sum
32 of one hundred thousand dollars has been credited upon any
33 judgment or judgments rendered in excess of that amount because
34 of bodily injury to or death of two or more persons as the
35 result of any one accident.

1 (3) When thirty-seven thousand five hundred dollars has
2 been credited upon any judgment or judgments rendered in excess
3 of that amount because of injury to or destruction of property
4 of others as a result of any one accident.

5 Sec. 5. Section 321A.21, subsection 2, paragraph b, Code
6 2014, is amended to read as follows:

7 b. Shall insure the person named in the policy and any other
8 person, as insured, using the motor vehicles with the express
9 or implied permission of the named insured, against loss from
10 the liability imposed by law for damages arising out of the
11 ownership, maintenance, or use of the motor vehicles within the
12 United States of America or the Dominion of Canada, subject to
13 limits exclusive of interest and costs, with respect to each
14 such motor vehicle, as follows: With respect to all accidents
15 which occur on or after January 1, 1981, and before January
16 1, 1983, fifteen thousand dollars because of bodily injury to
17 or death of one person in any one accident and, subject to
18 said limit for one person, thirty thousand dollars because of
19 bodily injury to or death of two or more persons in any one
20 accident, and ten thousand dollars because of injury to or
21 destruction of property of others in any one accident; ~~and~~
22 with respect to all accidents which occur on or after January
23 1, 1983, and before January 1, 2015, twenty thousand dollars
24 because of bodily injury to or death of one person in any one
25 accident and, subject to said limit for one person, forty
26 thousand dollars because of bodily injury to or death of two or
27 more persons in any one accident, and fifteen thousand dollars
28 because of injury to or destruction of property of others in
29 any one accident; and with respect to all accidents which occur
30 on or after January 1, 2015, fifty thousand dollars because of
31 bodily injury to or death of one person in any one accident
32 and, subject to said limit for one person, one hundred thousand
33 dollars because of bodily injury to or death of two or more
34 persons in any one accident, and thirty-seven thousand five
35 hundred dollars because of injury to or destruction of property

1 of others in any one accident.

2 Sec. 6. Section 321A.25, subsection 1, Code 2014, is amended
3 to read as follows:

4 1. Proof of financial responsibility may be evidenced by
5 filing with the department ~~fifty-five~~ one hundred thirty-seven
6 thousand five hundred dollars in the form of a certificate of
7 deposit made payable to the department. The certificate of
8 deposit shall be obtained from an Iowa financial institution in
9 the amount of ~~fifty-five~~ one hundred thirty-seven thousand five
10 hundred dollars plus any early withdrawal penalty fee. Upon
11 receipt of the certificate of deposit, the department shall
12 issue to the person a security insurance card for each motor
13 vehicle registered in this state by the person. The security
14 insurance card shall state the name and address of the person
15 and the registration number of the motor vehicle for which the
16 card is issued. The department shall not accept a certificate
17 of deposit unless accompanied by evidence that there are no
18 unsatisfied judgments of any character against the person in
19 the county where the person resides.

20 EXPLANATION

21 The inclusion of this explanation does not constitute agreement with
22 the explanation's substance by the members of the general assembly.

23 This bill increases proof of responsibility and insurance
24 coverage requirements for damages resulting from motor vehicle
25 accidents.

26 Code section 321A.1 is amended to increase the amount of
27 insurance coverage that is required to satisfy the proof
28 of financial responsibility requirements for motor vehicle
29 ownership, maintenance, and use. The bill provides that with
30 respect to motor vehicle accidents that occur on or after
31 January 1, 2015, the amount of coverage required shall not be
32 less than \$50,000 for bodily injury to or death of one person,
33 \$100,000 for bodily injury to or death of two or more persons,
34 and \$37,500 because of injury to or destruction of property of
35 others.

1 The effect of the amendments to Code section 321A.1 is to
2 increase the minimum amount of coverage that must be offered in
3 a motor vehicle liability policy for injury or death resulting
4 from an uninsured or underinsured motor vehicle under Code
5 chapter 516A, as provided in Code section 321A.1.

6 Code section 321A.21 is amended to increase the amount of
7 insurance coverage that is required to be included in a motor
8 vehicle liability policy issued in this state to correspond
9 with the changes made in Code section 321A.1 concerning proof
10 of financial responsibility.

11 Corresponding amendments are also made in Code sections
12 321A.5, 321A.15, and 321A.25 to raise the required amounts of
13 coverages with respect to policies and bond given or posted as
14 security, judgments paid and proof given, and certificates of
15 deposit filed with the treasurer of state to meet the financial
16 responsibility requirements of Code chapter 321A.